

DRAFT TO BE APPROVED BY THE COMMITTEE
January 17, 2007

The Honorable Henry Waxman
Chairman
Committee on Government Reform
2157 Rayburn House Office Building
U.S. House of Representatives
Washington, DC 20515

The Honorable Juanita Millender-McDonald
Chairwoman
Committee on House Administration
1309 Longworth House Office Building
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Waxman and Chairwoman Millender-McDonald:

In accordance with the requirements of clause 2 of rule X of the Rules of the House of Representatives, the following is a list of hearings and oversight-related activities that the Committee on Ways and Means and its Subcommittees plan to conduct during the 110th Congress.

Full Committee:

Economic Security and Federal Budget--

- **Current Economy and Outlook.** Oversight hearings to examine current economic conditions and the economic outlook. Specifically, examine topics such as the impact of globalization on U.S. workers and competitiveness, economic opportunities for low- and middle-income workers, the economic costs of poverty, and additional concerns.
- **Priorities of the Office of Management and Budget.** Oversight hearings with the Office and Management and Budget Director to discuss the overall state of the federal budget and the Administration's priorities for the 110th Congress. Also, discuss and consider budgetary proposals affecting the various programs under the Committee's jurisdiction, including tax, health, human resources, Social Security, pensions, and trade-related matters.
- **Additional Issues.** Oversight hearings on a number of overall budget issues, particularly those related to federal finances and debt, the short- and long-term fiscal outlook, the growing reliance of the United States on foreign debt, and other matters considered by the Department of the Treasury.

Tax Issues--

- **Priorities of the Department of the Treasury.** Oversight hearings with the Treasury Secretary to discuss priorities for the 110th Congress, with the goal of finding common ground for policies and legislation to benefit all Americans. Specifically, discuss and consider tax legislation proposed in the President's 2008 budget submitted to the Congress.
- **Administration of the Tax Laws.** Oversight hearing to receive information from the Internal Revenue Service (IRS) Commissioner concerning overall agency operations and efforts to collect federal taxes, ensure compliance, and provide taxpayer services. Specifically, discuss proposed funding and staffing levels for the IRS and legislation to address the tax gap as proposed in the President's 2008 budget submitted to the Congress.
- **Technical Corrections.** Oversight hearing to evaluate the need for technical corrections to previously-enacted legislation, including the Tax Increase Prevention and Reconciliation Act of 2005, Gulf Opportunity Zone Act of 2005, Energy Policy Act of 2005, American Jobs Creation Act of 2004, Jobs and Growth Tax Relief Reconciliation Act of 2003, Economic Growth Tax Relief Reconciliation Act of 2001, and certain provisions of the Pension Protection Act of 2006.
- **Tax Relief for Individuals and Families.** Oversight hearings on tax relief for individual taxpayers and families, including alternative minimum tax relief and child-related tax benefits.
- **Energy.** Oversight hearings on energy tax issues, including incentives for alternative fuel production, energy conservation, and increasing U.S. energy independence.
- **Housing.** Oversight hearings on tax incentives for moderately-priced housing, focusing on options for increasing the supply of middle-income taxpayer rental housing and home ownership in tandem with federal and state housing spending programs.
- **Education.** Oversight hearings on current law rules governing the use of tax credit bonds to finance school construction and renovation, and options to simplify the current complex structure of tax benefits for higher education.

Health and Human Services Issues--

- **Priorities of the Department of Health and Human Services.** Oversight hearing with the Health and Human Services Secretary to discuss priorities for the 110th Congress and concerns related to the delivery of health services and reimbursement under Medicare. Specifically, discuss and consider health and human services-related legislation proposed in the President's 2008 budget submitted to the Congress.

Trade--

- **Priorities of the Office of the United States Trade Representative.** Oversight hearings with the United States Trade Representative to discuss priorities for the 110th Congress and concerns related to international trade. Specifically, discuss and consider trade proposals in the President's 2008 budget submitted to the Congress and other proposals.

The full Committee intends to conduct additional oversight over the next two years, as becomes necessary to fulfill its oversight responsibilities to the Congress and the American people. The following is a list of further oversight hearings and activities that the six subcommittees of the Committee on Ways and Means (Oversight, Health, Income Security and Family Support, Social Security, Trade, and Select Revenue Measures) anticipate developing during the course of the 110th Congress.

Subcommittee on Oversight:

- **Programs within the Committee's Jurisdiction.** Oversight investigations and joint subcommittee hearings on issues requiring periodic or timely oversight review. The Subcommittee on Oversight will coordinate with other subcommittees, as appropriate, to ensure comprehensive oversight of programs and laws under the Committee's jurisdiction.
- **IRS Operations.** Oversight of the major IRS programs, including examination, collection, taxpayer services, and returns processing. Consider analyses and reports provided to the Congress by oversight groups, such as the IRS Taxpayer Advocate, IRS Oversight Board, Treasury Inspector General for Tax Administration, and the U.S. Government Accounting Office.
- **Tax Gap.** Oversight of the \$345 billion annual tax gap, the difference between taxes paid and taxes owed the federal government. Consider the components of the tax gap, causes of taxpayer non-compliance, and possible solutions.
- **IRS Funding and Staffing Levels.** Oversight of IRS funding and staffing levels needed to effectively and efficiently enforce the tax laws and provide taxpayer assistance. Consider the impact of underfunding the IRS on non-compliance, audit rates, and uncollected taxes. Examine the costs and rates of return for IRS collection activities in comparison to those for private-sector debt collectors under contract with the IRS. Evaluate options for providing the IRS with a permanent funding authorization that, in part, supports additional tax enforcement efforts.
- **Tax-Exempt Organizations.** Oversight review of the advantages and disadvantages of recently-enacted tax provisions that affect charities and foundations, particularly how the new rules affect charitable efforts and the ability of these organizations to serve those in

need. Evaluate overall IRS efforts to monitor tax-exempt organization activities, prevent abuse, and ensure timely information to the public about charity activities and finances.

- **Tax Code and Tax Form Complexity.** Oversight of tax code complexity, particularly for individuals and small businesses, with the goal of simplification. Review areas where taxpayers and professional return preparers make the most errors and consider solutions. Evaluate tax return filing seasons, including electronic filing, IRS and volunteer taxpayer assistance programs, the Internet Free File Program, and progress with electronic filing. Also, consider options for meaningful tax reform and greater fairness in the tax system.
- **IRS Audit/Collection Priorities.** Oversight review of the IRS audit/collection levels, focusing on the allocation of enforcement resources among low-, middle-, and high-income individual taxpayers. Consider IRS efforts to deal with small business, large corporate, and estate tax liabilities, particularly those known to the IRS but uncollected. Also, review the extent of abusive tax shelters and illegal offshore tax transactions.
- **Earned Income Tax Credit (EITC).** Oversight of IRS programs designed to provide tax assistance to more than 20 million low-income working taxpayers claiming the EITC. Evaluate information showing that: approximately seven million eligible workers do not claim the EITC; only a very small percentage of workers obtain EITC benefits in their paychecks through employer-assisted “advance refunding”; and nearly two-thirds of EITC taxpayers use paid professional return preparers to file their returns. Evaluate the results of EITC certification, program integrity, and efforts to provide educational outreach to reduce errors in claiming the EITC.
- **Tax Scams.** Oversight of the latest sophisticated tax scams and what can be done to protect taxpayers.
- **Illegal Networks.** Oversight of Department of the Treasury and IRS activities to deter money laundering, illegal drug, and terrorists networks.
- **Pensions and Retirement Security.** Oversight review of the Pension Benefit Guaranty Corporation (PBGC), including the financial status and management of pension plan funding. Oversight review of the increasing decline in employer-sponsored defined-benefit plans with the corresponding weakening of workers’ retirement security and federally-guaranteed pension benefits. Overview of the growing disparity of retirement benefits for corporate executives and rank-and-file workers.

Subcommittee on Health:

- **Medicare Part A and Part B (Hospitals, Physicians, and Other Providers).** Oversight of the major Medicare programs to ensure efficient use of resources, quality, and access for Medicare beneficiaries. Specific topics to include: relationship between payment policy and workforce issues (future supply); adequacy of program benefits, such as mental health and

cost sharing; treatment of specific populations such as people with disabilities and low-income beneficiaries; quality improvement efforts; accreditation; overpayments to providers; IVIG; DME competitive bidding; post-acute care common patient assessment tool; and waste, fraud, and abuse activities.

- **Medicare Part C (Private Plans)**. Oversight of private plan types, enrollment, and locations; value and payments; benefit packages and actuarial equivalence determinations; administrative costs; quality; consumer protection; and ability to manage and treat chronic illnesses and achieve improved health outcomes.
- **Medicare Part D (Prescription Drug Plans)**. Oversight of implementation and ongoing activities related to the Medicare prescription drug program, including: treatment of dual eligibles, low-income subsidy beneficiaries, and nursing home residents; drug pricing; late enrollment penalties; benefit packages and actuarial equivalence evaluations; true out-of-pocket policy (TROOP); formularies for covered drugs and appeals; enrollment issues; plan reporting of consumer data; marketing, promotion, and advertising efforts of the Center for Medicare and Medicaid Services (CMS) and the plans; administrative costs; bidding process and premium setting; retiree drug coverage; pharmacy-plan issues; creating a Medicare-sponsored drug option; and negotiated price mechanisms.
- **Medicare Entitlement**. Oversight of the 45 percent trigger, payments to private plans, and the Part B premium.
- **CMS Administration**. Oversight of the CMS, including the adequacy of its budget and staffing, contracting activities, and general agency accountability.
- **Health Insurance Coverage**. Oversight review of health coverage and the uninsured, including children, early retirees, and small business employees; adequacy of benefits; mental health parity; COBRA; lack of coverage for various groups; and options to expand coverage.
- **Health Savings Accounts (HSAs)**. Oversight of the use of health savings accounts, including the demographics and profile of account holders, the prevalence and use of HSAs, the value of accounts, and the influence on broader health care systems and spending.
- **Executive Orders**. Oversight of Administration activities regarding public transparency of price and quality initiatives, and health information technology.
- **Trade Adjustment Assistance (TAA) Health Insurance**. Oversight of implementation and ongoing activities related to the TAA health care tax credits, including administrative costs and contractual relationships.
- **Emergency Care**. Oversight of emergency health care and areas where reforms are needed.

Subcommittee on Income Security and Family Support:

- **Poverty.** Oversight assessment of poverty in America. Examine the growth in the number of Americans living in poverty by 5.4 million Americans since 2001, review factors that contributed to such rise, and explore proposals for expanding economic opportunity and reducing the extent and severity of poverty.
- **Welfare and Work Programs.** Oversight of programs that help needy families and promote work, especially the Temporary Assistance for Needy Families (TANF) program. Review State efforts to implement new statutory and regulatory requirements under the TANF program, including present and potential impacts on poverty, caseloads, educational opportunities, impacts on disabled populations, employment outcomes, assistance for needy families and administrative burdens. Evaluate recent legislative changes in related programs, such as child care and child support enforcement, in terms of the impact on self-sufficiency and economic opportunity for low-income families. Review the integrity of related programs to ensure accurate payments and eligibility.
- **Vulnerable Children.** Oversight of the Nation's child welfare system, including foster care, adoption assistance, and child and family programs under Title IVB of the Social Security Act. Examine barriers to ensuring safety and permanency for the over one-half million children in foster care, as well as for the thousands of other children that come into contact with the child welfare system every year. Review proposals to improve the financing of child welfare programs to ensure better outcomes for at-risk children and families.
- **Disconnected Populations.** Oversight of "disconnected populations," including youth between the ages of 16 and 24. Review proposals to reach out to an estimated two to three million youth who are neither in school nor working.
- **Unemployment Compensation.** Oversight of the Nation's unemployment compensation system, with a particular focus on barriers between dislocated workers and unemployment benefits and on reforms designed to modernize the program, including helping dislocated workers return to work.
- **Supplemental Security Income (SSI).** Oversight of the SSI program, including reviewing proposals to better reward and promote employment by program recipients and to better serve those in need of program benefits.

Subcommittee on Social Security:

- **General Oversight of Social Security.** Oversight of the importance of Social Security for American workers and their families; the essential role it plays in assuring economic security for retirees, disabled workers, and survivors; and how best to manage the challenges and

opportunities presented by an aging society, given the central role Social Security plays in income security, and the importance of adopting a balanced approach to address those challenges and opportunities that has the support of the American people.

- **Social Security Administration (SSA)**. Oversight of the administrative operations of the Social Security Administration and the agency's stewardship of Social Security programs.
- **Disability Case Processing Backlogs**. Oversight of SSA's processing of disability cases, including Continuing Disability Reviews, and its current backlog of over one million unprocessed initial claims and appeals requests for disability benefits. Examine why, after SSA has taken steps in recent years to address this backlog, the problem continues to grow. Consider the impact on claimants as they endure disabling health conditions for months, or even years, without income as they wait for their cases to be decided.
- **Management of the Ticket-To-Work Program**. Oversight of the implementation and effectiveness of the Ticket-to-Work program and its related work incentives. Consider how the program operates in conjunction with Social Security Act work incentives and other federal programs aimed at supporting work. Determine why implementation of the program has been criticized, regulatory reforms are delayed, and results have been modest.
- **New Disability Adjudication Process**. Oversight of SSA's phased-in implementation of its new disability adjudication process (resulting from its 2006 regulation modifying how it adjudicates disability claims), the impact of the change in agency leadership on the process, and early results. Examine how claimants are faring under the new process, and whether the process is fair and consistent, evidence collection is improving, claims are receiving full consideration, and the right decision is being made earlier in the process.
- **Social Security Number Protection**. Oversight of the problem of identity theft and misuse of the Social Security number. Consider the role of the Social Security number, the Social Security card, Social Security benefits, and SSA with respect to immigration policy and enforcement.

Subcommittee on Trade:

- **Fast Track**. Oversight of Trade Promotion Authority (TPA), that formally expires on June 30, 2007, including review of agreements concluded to date, the role of the Congress, and labor and environmental concerns.
- **Korea Free Trade Agreement (FTA)**. Oversight of Korea FTA negotiations as they reach a critical stage in early 2007, including discussion of automobile, manufacturing, labor, environmental, and other issues.

- **Other Free Trade Agreements (FTAs).** Oversight of ongoing negotiations, for example involving Panama, Thailand and Malaysia, signed FTAs involving Peru and Colombia, and implementation of recently-implemented FTAs involving the Central American/Dominican Republic (CAFTA), Oman, Bahrain, and earlier FTAs with Singapore, Chile, Australia, and Morocco.
- **Preference Programs.** Oversight of major U.S. trade preference programs such as the Generalized System of Preferences (GSP), African Growth and Opportunity Act (AGOA), Caribbean Basin Initiative (CBI), Andean Trade Preference Act (ATPA), and Haitian Hemispheric Opportunity Through Partnership Encouragement Act.
- **Haiti.** Oversight of U.S. trade policy for Haiti, including impact of textile quota elimination.
- **World Trade Organization (WTO) Negotiations.** Oversight of U.S. goals in the areas of agriculture, manufacturing, services, fair trade laws.
- **Improving U.S. Trade Laws.** Oversight of proposals to strengthen U.S. fair trade laws and improve U.S. tools leverage to open foreign markets and other areas, including oversight of WTO decisions involving U.S. fair trade laws, defense of U.S. trade law challenges in the WTO, and administration by the Department of Commerce and U.S. International Trade Commission of U.S. fair trade laws.
- **China.** Oversight of China's rampant theft of massive quantities of U.S. intellectual property, including in the automotive, semiconductor, motion picture, and recording industries. Also, oversight of China's refusal to allow its currency to freely float, industrial subsidies, and other areas.
- **Europe.** Oversight of the second largest bilateral trade deficit of more than \$100 billion in 2005, as well as sectoral issues, such as Airbus subsidies, discriminatory regulations in high technology transfer and sectors, attempts at technology transfer, discriminatory barriers to U.S. farm exports, European Union (EU) practices in the WTO negotiations, and EU practice concerning regional trade agreements.
- **Trade and Developing Countries.** Oversight of U.S. trade relations with developing countries, role of developing countries in the WTO and world trading system, extent to which developing countries have benefitted from the trading system over the past 20 years and, in regard particularly with respect to the least developed countries, why many of these countries have lost ground over the last 20 years and what can be done in the area of trade and aid to reverse this trend.
- **Trade and U.S. Workers.** Oversight of the ability of the United States to conduct an effective trade policy that is good for American workers, farmers, businesses, and the country as a whole. Examine options to improve education, on-the-job training, trade adjustment, and portable health care/pensions.

- **Other.** Oversight of the WTO dispute settlement system, Bush Administration labor rules in FTAs, and balance between protecting pharmaceutical patents and promoting access to essential medicines in poor countries.

Subcommittee on Select Revenue Measures:

- **Various tax matters.** Oversight of a variety of tax issues and tax legislation, as directed by the Committee Chairman.

This list is not intended to be exclusive. The Committee anticipates that additional oversight hearings and activities will be scheduled as issues arise and as time permits. Also, the Committee's oversight priorities and particular concerns may change as the 110th Congress progresses over the coming two years and issues arise meriting the Committee and subcommittees' attention.

Sincerely,

Charles B. Rangel
Chairman

cc: The Honorable Jim McCreery
Ranking Member